

CORRECTED FISCAL NOTE

HB 4213 - SB 4196

April 25, 2008

SUMMARY OF BILL: Creates the Tennessee Administrative License Revocation Act of 2008. Authorizes law enforcement to confiscate the driver's license of any individual being charged with DUI for the purpose of an official administrative revocation hearing to be conducted by the Department of Safety (DOS). Establishes procedures to be followed for law enforcement officers, charged individuals, and DOS. Requires DOS to issue to charged individuals a temporary permit, good for 90 days, or a temporary photo identification license. Requires DOS to reimburse local governments for the cost of law enforcement officers attending revocation hearings. Requires charged individuals to pay to the DOS administrative processing fees up to \$200.

ESTIMATED FISCAL IMPACT:

On April 21, 2008, we issued a fiscal note for this bill indicating the following estimated fiscal impact:

*Increase State Revenue - \$0 / FY08-09
\$2,320,500 / FY09-10
\$5,400,300* / FY10-11 and Succeeding Years*

*Increase State Expenditures -
\$2,786,500 / FY08-09 (included in the Governor's FY08-09 Budget)
\$46,000/One-Time/FY09-10
\$5,489,800*/Recurring/FY09-10 and Succeeding Years*

*Increase Local Revenue - \$68,700
Increase Local Expenditures** - \$330,100*

Other Fiscal Impact - No revenue will be generated in FY08-09. Program costs of \$2,786,500 in FY08-09 will be funded by a one-time appropriation included in the Governor's FY08-09 Budget. Program costs will increase to a total of \$5,535,800 for FY09-10 (one-time and recurring). Program costs in FY09-10 will be funded partially by revenue in the amount of \$2,320,500. A one-time appropriation of \$3,215,300 will be required in FY09-10 to fund the difference. Beginning in FY10-11, revenue will

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increase to \$5,400,300 per year and recurring program costs will remain at \$5,489,800 per year.

**For clarity, revenue and expenditures are shown as cumulative rather than incremental in each year.*

Based on additional information provided by the Administrative Office of the Courts since April 21, 2008, concerning how staff for Chancellors is funded, the fiscal impact for this bill is estimated as follows:

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Increase State Revenue - \$0 / FY08-09

\$2,320,500 / FY09-10

\$5,400,300* / FY10-11 and Succeeding Years

Increase State Expenditures –

\$2,786,500 / FY08-09 (included in the Governor's FY08-09 Budget)

\$105,000/One-Time/FY09-10

\$6,232,200*/Recurring/FY09-10 and Succeeding Years

Increase Local Revenue - \$68,700

Increase Local Expenditures \$1,680,000/One-Time/FY08-09**

\$460,700/Recurring/FY09-10

Other Fiscal Impact - No revenue will be generated in FY08-09. Program costs of \$2,786,500 in FY08-09 will be funded by a one-time appropriation included in the Governor's FY08-09 Budget. Program costs will increase to a total of \$6,337,200 for FY09-10 (one-time and recurring). Program costs in FY09-10 will be funded partially by revenue in the amount of \$2,320,500. A one-time appropriation of \$4,016,700 will be required in FY09-10 to fund the difference. Beginning in FY10-11, revenue will increase to \$5,400,300 per year and recurring program costs will remain at \$6,232,200 per year.

***For clarity, revenue and expenditures are shown as cumulative rather than incremental in each year.**

Assumptions:

- DOS indicates approximately 34,000 DUI arrests and approximately 27,000 convictions per year.
- To implement the provisions of this bill DOS will require the following additional resources: 44 additional positions in the Driver License

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Issuance Division; 17 additional positions in the Information Processing Division; two additional positions in the Human Resource Division; two additional positions in the Fiscal Services Division; three additional positions in Information Resources; and seven additional positions in the Legal Division. The total number of positions required is estimated to be 75. The recurring increase to departmental expenditures is estimated to be \$4,563,900 per year (salary, benefits, supplies, communications, etc.). One-time expenditures associated with the creation of these positions are estimated to be \$717,400.

- According to DOS, these positions will be hired throughout FY08-09 in preparation for full implementation by FY09-10. The Department indicates that approximately \$2,069,100 of full-year recurring expenditures will be incurred during FY08-09.
- Total first-year (FY08-09) expenditures for the DOS are estimated to be \$2,786,500 (\$2,069,100 + \$717,400 = \$2,786,500). This amount is included in the Governor's FY08-09 Recommended Budget for implementation of the Tennessee Administrative License Revocation Act of 2008.
- The Administrative Office of the Courts (AOC) has indicated that it expects the number of appeals to increase significantly as a result of this bill. AOC has indicated at least three additional Chancellors will be required to handle the additional number of appeals. Each Chancellor requires two supporting staff members. Therefore, a total of nine positions (three Chancellors plus six support positions).
- According to the AOC, and based on current cost allocations, three of the six support positions will be funded exclusively with local funds; the other three support positions will be funded in part with local funds and in part with state funds.
- Total cost expenditures for the nine positions are estimated as follows: a one-time increase of state expenditures of \$69,000; a recurring increase of state expenditures of \$807,400 per year; and a recurring increase to local government expenditures of \$392,000 per year. These positions will not be required until FY09-10.
- AOC indicates that additional courtroom space will be needed to house the new Chancellors and their staff. AOC indicates that one existing courtroom can be utilized if certain modifications are made. A one-time increase of local government expenditures of \$60,000 for required renovations. AOC further indicates that two new courtrooms will be needed for the other two Chancellors and their staff. A one-time increase to local government expenditures of \$1,620,000 to construct two new courtrooms. These expenditures are assumed to occur throughout FY08-09 in preparation for full implementation by FY09-10.
- AOC also indicates that one additional Court of Appeals Judge will be required as a result of this bill. According to AOC, each Court of Appeals Judge requires one Judicial Assistant and two Law Clerk

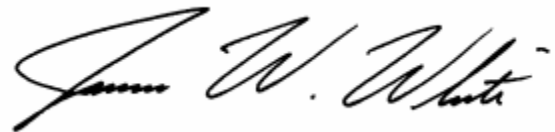
positions. The recurring increase to state expenditures associated with the four positions is estimated to be \$473,200 per year. One-time state expenditures are estimated to be \$36,000. These positions will not be required until FY09-10.

- The Office of Attorney General indicates that it would be required to represent DOS in appealed cases. As a result, three additional attorney positions would be required. The recurring increase to state expenditures for three additional attorney positions is estimated to be \$319,000 per year (salary, benefits, communications, supplies, etc.). These positions will not be required until FY09-10.
- DOS will receive additional state revenue derived from processing fees, reinstatement fees, fees for filing proof of financial responsibility, and the issuance of driver licenses, temporary permits, and photo identifications.
- Based on DUI arrests and convictions data, DOS estimates the recurring increase of state revenue (from all additional revenue sources) to be approximately \$5,400,300 per year (beginning with the first fully-implemented year FY10-11). No additional state revenue in FY08-09 due to July 1, 2009 effective date. The increase of state revenue for FY09-10 is estimated to be \$2,320,500.
- According to the Tennessee Bureau of Investigation, this bill will have no impact on departmental revenue or expenditures.
- The increase to local government expenditures resulting from law enforcement officers being required to testify at hearings is estimated to be \$68,700 per year. These expenses will be reimbursed by the DOS beginning in FY09-10.

***Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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